



ST. CHARLES PARISH

DEPARTMENT OF FINANCE

P.O. BOX 302 • HAHNVILLE, LOUISIANA 70057

(985) 783-5000 • Fax: (985) 783-2187

Website: www.stcharlesparish-la.gov • Email: finance@stcharlesgov.net

V.J. ST. PIERRE, JR.
PARISH PRESIDENT

GRANT M. DUSSOM, CPA
DIRECTOR

TO: V. J. St. Pierre, Jr., Parish President

FROM: Grant M. Dussom, CPA, Director of Finance

SUBJECT: 2011 Annual Report

Presented herein is a complete operating report on the affairs of the Department of Finance for the fiscal year 2011.

During 2011, three crucial positions were required to be filled. In May of 2011, my Accountant II, Barret Roberts decided to take a job with a large engineering firm, and as such, I was required to fill one of my most challenging positions. Barret's primary job was assembling the Comprehensive Annual Financial Report (CAFR), which is one of the two most important documents the Parish issues each year, the other being the Annual Budget. Fortunately for us, Donna Breaux, an Accountant I at the time, was up to the challenge and thus took over as Accountant II at the most crucial time for that position, i.e. the Annual Audit. Donna has done a fantastic job and will continue to excel in this area. With Donna advancing, her job in turn was open, which has now given Triche Brown, an Accounting Clerk II the opportunity to step up to the crucial position of Accountant I, which she has indeed done so. Following along the same lines, with Triche being moved up, her old position was also required to be filled. To accomplish this, we had to open the position to the public and we received several inquiries. After interviewing over twelve individuals, the decision was made to hire Marilyn Morris, who is adapting well to the position. After those hurdles, and with the trainings for each position still in progress, I now feel that the Finance Department is at full operating capacity and it is as strong as it has ever been. This strength in part stems from the knowledge and dedication of J. Charles Oubre III and Ellen Cancienne, each with over 25 years experience in the Finance Department and given the influx of a younger generation into this Department, the knowledge that has been and will continue to be bestowed upon them from Mr. Oubre and Ms. Cancienne will indeed solidify the excellence and integrity of this department for years to come.

In 2011, Ms. Ellen Cancienne and Mr. J. Charles Oubre III were recognized by the Bureau of Government Research (BGR) for the Lifetime Achievement award for government service. This is a tremendous honor for both who have contributed so much to this Parish since starting here so long ago, i.e. 30 plus years for Ellen and over 25 years for Charles. This award is only given out to one/two people a year, and I am very proud that both received it. I am also proud to see that they are not only recognized here in St. Charles Parish, but now also in the state of Louisiana. They, along with the other staff within the Finance Department represent the very best of what St. Charles Parish has to offer. I am very proud of all the employees in the Finance Department and I am honored to serve as their Director.

Sales taxes totaled \$29.6 million, an increase of approximately \$1.95 million from 2010. This of course is positive news especially when considering the large decreases we witnessed in 2009 and 2010. The Sales tax collection agent for the Parish estimates that the mini trend of increases witnessed from 2005 through 2008 will not be witnessed in the coming years, but recent plant expansion announcements by Valero and Shell Motiva, will provide temporary increases in our Sales tax collections in 2012/2013, but again these increases too cannot be relied on in perpetuity as these are onetime events, and as such, any additional monies collected as a result of these expansions will be dedicated to capital projects versus the general maintenance and operation of the Parish. As the plant expansions slow down though, as well as the current recession in which the U.S. economy is witnessing, Sales taxes could begin to decrease again in 2014 and thereafter. It also should be noted that since 2008, the sales tax collected by the Parish have dropped by over \$2.6 million. This trend must continually be monitored as it inhibits the Parish's ability to complete capital projects. The increases witnessed in the past have allowed the Parish to pursue large Capital projects, specifically in the Roads and Drainage budget as well as allowed transfers from the General Fund to Recreation and Wastewater for projects. With the current state of the National economy though, such projects for the future will need to be delayed unless future spikes in tax revenue occur or alternate funding sources can be located.

The Parish's portion of ad valorem tax collections of \$22.3 million was moderately higher than that of 2010, which is a definite positive for the Parish. After the slight dip in Ad Valorem collections witnessed in 2010 caused from inventory changes with several of the large chemical plants within the Parish, it appears that property taxes have indeed stabilized. It's my feeling that ad valorem taxes will continue to increase slightly each year around the 2% to 3% range, barring any unforeseen circumstances, but naturally we won't again witness the increases that occurred shortly after Hurricane Katrina. Below are two charts showing the history of both Sales tax collections and well as Ad Valorem tax collections for the past 10 years.

**ST CHARLES PARISH
HISTORY OF SALES TAX COLLECTIONS**

Year		Collections	% Change
2001	Actual	20,064,831	
2002		18,046,778	-11.18%
2003		18,043,802	-0.02%
2004		20,304,469	11.13%
2005		24,488,947	17.09%
2006		28,935,942	15.37%
2007		29,571,280	2.15%
2008		32,221,464	8.22%
2009		29,980,632	-7.47%
2010		27,745,957	-8.05%
2011		29,692,959	6.56%

HISTORY OF AD VALOREM TAX COLLECTIONS

Year		Collections	% Change
2001	Actual	16,347,257	
2002		17,169,308	4.79%
2003		17,225,420	0.33%
2004		17,011,703	-1.26%
2005		17,619,869	3.45%
2006		17,789,328	0.95%
2007		18,978,482	6.27%
2008		20,524,245	7.53%
2009		21,457,700	4.35%
2010		21,440,223	-0.08%
2011		22,138,137	3.15%

The Wastewater fund is still operating at a loss. While this is primarily due to depreciation of existing plant and equipment, the department is not funded at a level to prepare for future capital outlay. During 2010, we received approval of a \$6.5 million loan at .95% interest from the Department of Environmental Quality which will be used for capital outlay for the Wastewater Department, primarily on the two Sewer Treatment Plants, as well as vital upgrades to seven priority lift stations. As this loan will be repaid from the General Fund, the General Fund will therefore no longer supplement the Wastewater Department for additional capital outlay until the projects associated with the loan are completed. To date, in 2011, the Wastewater Department has currently utilized nearly \$3 million for the much needed improvements to the system and is anticipating utilizing the remaining \$3.5 million in 2012 to complete the projects.

The first official action beginning the 2012 budget process began in June of 2011. Memorandums were sent to department directors setting meeting dates to draft proposed budgets for each department for 2012. The process was concluded some eight months later with the budget being adopted. This concluded a period of intensive work by the Department of Finance as well other Parish Departments that produced a

budget document that will serve as a financial management tool for the Parish President, the Parish Council and the Parish Departments during fiscal year 2012.

The fixed asset system currently tracks 11,414 items with a cost (including infrastructure) of \$352 million. The system is used for financial reporting and inventory control.

The public records control and retention program was initiated by the Department of Finance in 1983. Since the program was initiated, a total of 6,809,921 documents have been stored on microfilm with significant savings being realized in the cost of storage of the public documents.

2011 STATISTICAL INFORMATION

Total Gross Payroll Disbursements	\$23,368,665.70
-----------------------------------	-----------------

Total Payroll Checks Issued	14,959
-----------------------------	--------

Total Other Disbursements from Parish Funds	\$94,251,775.70
---	-----------------

Total Other Checks Issued from Parish Funds	10,996
---	--------

A handwritten signature in blue ink that reads "Grant M. Dussom, CPA". The signature is stylized, with the first letters of the first and last names being capitalized and prominent.

Grant M. Dussom, CPA